

**DeWitt Area Emergency Services Authority
DeWitt, Michigan**

FINANCIAL STATEMENTS

June 30, 2008

DeWitt Area Emergency Services Authority

DeWitt, Michigan

June 30, 2008

AUTHORITY BOARD MEMBERS

Gail Watkins	Chair
Don Potts	Vice-Chair
Sheryl Strouse	Secretary/Treasurer
Bob Jesse	Board Member
Roy Thelen	Board Member
Tony Stoker	Board Member

DeWitt Area Emergency Services Authority

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INDEPENDENT AUDITOR'S REPORT

Members of the DeWitt Area
Emergency Services Authority
DeWitt, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeWitt Area Emergency Services Authority as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the DeWitt Area Emergency Services Authority as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information, as identified in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 29, 2008

DeWitt Area Emergency Services Authority

Management's Discussion and Analysis

This section of the DeWitt Area Emergency Services Authority's annual report presents our discussion and analysis of the Authority's financial performance during the year ended June 30, 2008. This discussion and analysis of financial performance also provides a comparison overview of the Authority's financial activities for the fiscal years ended June 30, 2007 and 2008. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

The Management's Discussion and Analysis, a requirement of GASB 34, is intended to provide citizens, taxpayers, customers, and investors with a better understanding of how the Authority's money and other assets are managed.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2008:

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$636,690 (net assets).
- The Authority's total net assets decreased by \$15,277, as the result of current year activity.
- The General Fund finished the 2007-2008 fiscal year with a decrease to fund balance of \$280,974. The ending fund balance for the 2007-2008 fiscal year for the General Fund was \$36,168.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the DeWitt Area Emergency Services Authority as a whole and present a longer-term view of the Authority's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the DeWitt Area Emergency Services Authority in more detail than the government-wide financial statements by providing information about the Authority's most significant funds.

The Authority as a Whole

The following table shows, in a condensed format, the net assets as of June 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Assets		
Current assets	\$ 46,125	\$ 336,872
Capital assets, net of accumulated depreciation	<u>600,362</u>	<u>334,220</u>
Total assets	646,487	671,092
Liabilities		
Current liabilities	<u>9,797</u>	<u>19,125</u>
Net Assets		
Invested in capital assets	600,362	334,220
Restricted for contributor's purposes	160	605
Unrestricted	<u>36,168</u>	<u>317,142</u>
Total net assets	<u>\$ 636,690</u>	<u>\$ 651,967</u>

DeWitt Area Emergency Services Authority

Management's Discussion and Analysis

The Authority's total net assets were \$636,690 at June 30, 2008. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations) were \$36,168 at the end of the fiscal year. The net assets invested in capital assets were at \$600,362. The balance of \$160 was restricted for contributor's purposes.

The following table shows the changes in net assets during the current and previous year.

	<u>2008</u>	<u>2007</u>
Revenue		
Program Revenue:		
Operating grants and contributions	\$ 273,010	\$ 265,111
General revenue:		
Investment income	4,933	6,427
Other revenue	<u>2,385</u>	<u>15</u>
Total revenue	280,328	271,553
Program Expenses		
Public safety	<u>295,605</u>	<u>277,318</u>
Change in Net Assets	<u>\$(15,277)</u>	<u>\$(5,765)</u>

Governmental Activities

The Authority's governmental revenues totaled \$280,328 with the greatest revenue source being operating contributions from the constituent municipalities. Operating contributions from the constituent municipalities make up approximately 97 percent of total governmental revenue.

The Authority incurred expenses of \$295,605 during the year. As a special purpose government, all of the governmental expenses incurred are associated with the public safety function.

The Authority's Funds

The analysis of the Authority's major funds begins on page 3, following the government-wide financial statements. The fund financial statements provide detailed information about the individual funds, not the DeWitt Area Emergency Services Authority as a whole. The DeWitt Area Emergency Services Authority's Board of Trustees creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The Authority's only major fund for the fiscal year ended June 30, 2008 was the General Fund.

The General Fund pays for all of the Authority's governmental services. The sole service provided during the fiscal year was emergency management, which incurred expenditures of approximately \$561,042 for the fiscal year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the Authority Board made necessary budget adjustments to fund unanticipated expenditures during the year. The budget for capital outlay was amended to cover the cost of a new fire truck and construction on a new station. Total General Fund expenditures came in \$13,480 under the budgeted appropriation.

Capital Asset Administration

At the end of the fiscal year, the Authority had \$600,362 invested in emergency service vehicles and building improvements (net of accumulated depreciation). A new fire truck was purchased and an auxiliary station was added during the fiscal year.

DeWitt Area Emergency Services Authority

Management's Discussion and Analysis

Contacting the Authority's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the City of DeWitt Treasurer, 414 East Main Street, DeWitt, MI 48820.

BASIC FINANCIAL STATEMENTS

DeWitt Area Emergency Services Authority

STATEMENT OF NET ASSETS

June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Current	
Cash	\$ 46,125
Noncurrent	
Capital assets, net of accumulated depreciation	<u>600,362</u>
TOTAL ASSETS	646,487
LIABILITIES	
Current	
Accounts payable	1,721
Accrued wages	6,947
Accrued liabilities	<u>1,129</u>
TOTAL LIABILITIES	<u>9,797</u>
NET ASSETS	
Invested in capital assets	600,362
Restricted for contributor's purposes	160
Unrestricted	<u>36,168</u>
TOTAL NET ASSETS	<u>\$ 636,690</u>

See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Governmental activities:			
Public safety	<u>\$ 295,605</u>	<u>\$ 273,010</u>	<u>\$ (22,595)</u>
General revenues:			
Investment income			4,933
Miscellaneous			<u>2,385</u>
Total general revenues			<u>7,318</u>
CHANGE IN NET ASSETS			(15,277)
Net assets, beginning of year			<u>651,967</u>
Net assets, end of year			<u>\$ 636,690</u>

See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority
GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2008

	General	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS			
Cash	\$ 45,965	\$ 160	\$ 46,125
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,721	\$ -	\$ 1,721
Accrued wages	6,947	-	6,947
Accrued liabilities	1,129	-	1,129
TOTAL LIABILITIES	9,797	-0-	9,797
FUND BALANCES			
Reserved for contributors' purposes	-	160	160
Unreserved			
Undesignated, reported in General Fund	36,168	-	36,168
TOTAL FUND BALANCES	36,168	160	36,328
TOTAL LIABILITIES AND FUND BALANCES	\$ 45,965	\$ 160	\$ 46,125

See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2008

Total fund balance - governmental funds	\$ 36,328
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Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 1,372,245
Accumulated depreciation is	<u>(771,883)</u>

Capital assets, net	<u>600,362</u>
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Net assets of governmental activities	<u>\$ 636,690</u>
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See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2008

	General	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES			
Intergovernmental			
City and Townships	\$ 272,750	\$ -	\$ 272,750
Interest	4,933	-	4,933
Other	2,385	260	2,645
TOTAL REVENUES	280,068	260	280,328
EXPENDITURES			
Current			
Salaries and wages	79,933	-	79,933
Fringe benefits	13,235	-	13,235
Supplies	9,131	-	9,131
Gas and oil	4,217	-	4,217
Contractual services	17,537	-	17,537
Telephone	1,545	-	1,545
Radio	333	-	333
Printing and publishing	627	-	627
Dues and subscriptions	390	-	390
Insurance	17,921	-	17,921
Utilities	3,240	-	3,240
Repairs and maintenance	17,467	-	17,467
Legal fees	990	-	990
Rent	12,246	-	12,246
Conference and travel	3,430	-	3,430
Training	420	-	420
Other	7,735	705	8,440
Capital outlay	370,645	-	370,645
TOTAL EXPENDITURES	561,042	705	561,747
NET CHANGE IN FUND BALANCES	(280,974)	(445)	(281,419)
Fund balances, beginning of year	317,142	605	317,747
Fund balances, end of year	\$ 36,168	\$ 160	\$ 36,328

See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

Net change in fund balances - governmental funds \$ (281,419)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 355,403	
Depreciation expense	<u>(89,261)</u>	
Excess of capital outlay over depreciation expense		<u>266,142</u>
Change in net assets of governmental activities		<u><u>\$ (15,277)</u></u>

See accompanying notes to financial statements.

DeWitt Area Emergency Services Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A: DESCRIPTION OF EMERGENCY SERVICES AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeWitt Area Emergency Services Authority was created in 2001 by a joint venture agreement between the Townships of Olive and Riley and the City of DeWitt. Each municipality appoints two (2) members to the Board. The Fire Chief oversees the day-to-day operations of the Authority.

The Authority has no stockholders and all monies received are to be used for certain specified purposes in accordance with Public Act 7 and the joint venture agreement between the constituent municipalities.

Each municipality is required to contribute quarterly to the annual budget of the Authority based on an agreed upon funding formula. The total budget is spread to the three (3) municipalities based on weighted averages of the following: State Equalized Value, Population, Occupied Households, and number of runs within each unit's boundaries. Other responsibilities, including procedures for termination of services, are explicitly detailed in the joint venture agreement.

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's more significant accounting policies are described below.

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the DeWitt Area Emergency Services Authority. The DeWitt Area Emergency Services Authority is considered a "joint venture" of the constituent municipalities.

2. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities (the government-wide statements) present information for the government as a whole. All non-fiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide statements). Interfund activity has been eliminated in the preparation of the government-wide financial statements.

The statement of activities presents the direct functional expenses of the government and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes interest and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Authority's individual major fund and aggregated nonmajor funds. The major individual governmental fund is reported as a separate column in the fund financial statements.

The only major fund of the Authority is the General Fund. The General Fund is used to account for all financial resources to be used for fire protection services provided to each participating municipality.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A: DESCRIPTION OF EMERGENCY SERVICES AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and deferred revenue. Significant revenues susceptible to accrual are property taxes, special assessments, and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

5. Budgets and Budgetary Accounting

The General Fund budget shown in the financial statements was prepared on a basis not significantly different than the basis used to reflect actual results.

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to July 1, the budget is legally adopted on a fund level through passage of a Board resolution. After the budget is adopted all transfers of budgeted amounts between activities, or any revisions that alter the total expenditures of the fund or activity must be approved by the Board.
- b. Formal budgetary integration is employed as a management control device during the year.
- c. The Board does not employ encumbrance accounting as an extension of formal budgetary integration. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- d. Budgeted amounts are reported as originally adopted or amended by the Board during the year. Individual amendments were appropriately approved by the Board as required.

6. Cash

Cash consists of a money market sweep account.

DeWitt Area Emergency Services Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A: DESCRIPTION OF EMERGENCY SERVICES AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets

Capital assets include vehicles and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities. Capital assets are those with an initial individual cost of \$3,500 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Vehicles	5 - 10 years
Buildings	40 years
Building improvements	15 years

8. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B: CASH

In accordance with Michigan Compiled Laws, the DeWitt Area Emergency Services Authority is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

DeWitt Area Emergency Services Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE B: CASH - CONTINUED

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Deposits of the DeWitt Area Emergency Services Authority are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the DeWitt Area Emergency Services Authority.

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of June 30, 2008, the carrying amount and bank balance for the checking accounts as reported on the financial statements were \$46,125 and \$49,046, respectively. As of June 30, 2008, the Authority's accounts were fully insured by the FDIC for \$49,046.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2008, the Authority did not have any investments that would be subject to rating.

Interest rate risk

The Authority will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Authority's cash requirements.

Concentration of credit risk

The Authority will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk

The Authority will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Authority will do business in accordance with Board approved policy.

DeWitt Area Emergency Services Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets being depreciated				
Vehicles	\$ 957,792	\$ 239,907	\$ -	\$ 1,197,699
Buildings	-	115,496	-	115,496
Building improvements	59,050	-	-	59,050
Total capital assets being depreciated	1,016,842	355,403	-0-	1,372,245
Less accumulated depreciation for:				
Vehicles	(676,717)	(82,437)	-	(759,154)
Buildings	-	(2,887)	-	(2,887)
Building improvements	(5,905)	(3,937)	-	(9,842)
Total accumulated depreciation	(682,622)	(89,261)	-0-	(771,883)
Capital assets, net	<u>\$ 334,220</u>	<u>\$ 266,142</u>	<u>\$ -0-</u>	<u>\$ 600,362</u>

NOTE D: RISK MANAGEMENT

The Authority participates in a pool, the Michigan Municipal Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Authority has not been informed of any special assessments being required.

The Authority also participates in a State pool, the Michigan Municipal Liability and Property Pool, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Authority has not been informed of any special assessments being required.

NOTE E: RELATED PARTY NON-CANCELABLE OPERATING LEASE

The DeWitt Area Emergency Services Authority has entered into a ten year, non-cancelable long-term lease with the City of DeWitt, a related party organization, for the use of the fire station. The total rental payments made to the City of DeWitt for the year ended June 30, 2008, were \$12,000. Future minimum payments are as follows:

Year Ending June 30, _	
2009	\$ 12,000
2010	12,000
2011	12,000
2012	<u>6,000</u>
TOTAL PAYMENTS	<u>\$ 42,000</u>

DeWitt Area Emergency Services Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE F: FUND EQUITY RESERVES

Reserved fund balance is used to earmark a portion of fund equity to indicate that it is not appropriate for expenditure or has been legally segregated for a specific use.

The following are the fund balance reserves as of June 30, 2008:

Nonmajor governmental fund	
Reserved for contributors' purposes	\$ <u>160</u>

NOTE G: RESTRICTED NET ASSETS

Restrictions of net assets shown in the Government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes.

The following is the net asset restriction as of June 30, 2008:

Governmental activities	
Restricted for contributors' purposes	\$ <u>160</u>

NOTE H: SIMPLE IRA

The Authority has established a SIMPLE IRA with Wachovia Corporation for the sole benefit of its employees. Employees may elect to contribute amounts ranging from 0 to 10 percent of their compensation. The Authority will match employee contributions at a rate of 50%, up to 5% of the employee's compensation. All employees of the Authority are eligible to participate.

For the year ended June 30, 2008, the Authority had a total payroll of \$79,933. The retirement plan had a covered payroll of \$45,447. The Authority made employer contributions to the retirement plan in the amount of \$2,638.

REQUIRED SUPPLEMENTARY INFORMATION

DeWitt Area Emergency Services Authority

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
City and Townships	\$ 272,750	\$ 272,750	\$ 272,750	\$ -0-
Interest	-	4,900	4,933	33
Other	400	2,300	2,385	85
TOTAL REVENUES	273,150	279,950	280,068	118
EXPENDITURES				
Current				
Salaries and wages	82,000	81,800	79,933	1,867
Fringe benefits	17,600	14,670	13,235	1,435
Supplies	9,400	10,400	9,131	1,269
Gas and oil	3,000	4,500	4,217	283
Contractual services	32,550	17,551	17,537	14
Telephone	1,300	1,600	1,545	55
Radio	600	600	333	267
Printing and publishing	2,000	1,000	627	373
Dues and subscriptions	500	400	390	10
Insurance	19,700	19,650	17,921	1,729
Utilities	7,500	3,500	3,240	260
Repairs and maintenance	24,000	19,001	17,467	1,534
Legal fees	1,500	1,100	990	110
Rent	12,000	12,250	12,246	4
Conference and travel	5,000	4,000	3,430	570
Training	1,000	500	420	80
Other	4,500	8,000	7,735	265
Capital outlay	49,000	374,000	370,645	3,355
TOTAL EXPENDITURES	273,150	574,522	561,042	13,480
NET CHANGE IN FUND BALANCE	-0-	(294,572)	(280,974)	13,598
Fund balance, beginning of year	317,142	317,142	317,142	-0-
Fund balance, end of year	<u>\$ 317,142</u>	<u>\$ 22,570</u>	<u>\$ 36,168</u>	<u>\$ 13,598</u>